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VIA ELECTRONIC FILING

Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, SC 29211

**Re: Exploration of a South Carolina Competitive Procurement Program for the Competitive Procurement of Energy and Capacity from Solar and Other Renewable Energy Facilities by an Electrical Utility as Allowed by South Carolina Code Section 58-41-20(E)(2)
Docket No. 2019-365-E**

Dear Ms. Boyd:

Dominion Energy South Carolina, Inc. ("DESC") hereby responds to the South Carolina Solar Business Alliance's (the "SCSBA") letter filed on November 16, 2020. By and through its letter, the SCSBA requests that:

this Commission give notice that it is sequencing this docket to focus on competitive procurement for DESC first, and for Duke later; and clarify that the December 10, 2020, hearing and associated testimony focus on establishing a procedure for conducting competitive procurement in DESC's balancing authority area, including measures to ensure that such a procurement would be in the interest of ratepayers.

(emphasis in original).

To fully appreciate the SCSBA's request it is helpful to consider this request to rush a complex matter in the context of other related filings. In its November 3, 2020, letter in the above docket, DESC explained:

Although Act 62 states that the Commission 'is authorized to open a generic docket for the purposes of creating programs for the competitive procurement of energy

and capacity from renewable energy facilities,”¹ Act 62 clearly contemplates that such competitive procurement will be “by an electric utility within the utility’s balancing authority area.”² On this point, DESC has time and again provided the Commission with details about the significant saturation of renewable energy on the DESC system that would surely impact any competitive procurement process. Likewise—as the Commission noted in Order No. 2019-876 issued in December 18, 2019—this process will also overlap other areas “that involve a great deal of complexity, including the IRP process, interconnection, energy storage, and queue reform.”³

Given that issue of competitive procurement involves great complexity and the decision of whether to employ competitive procurement must account for the specific needs of the utility’s balancing authority area—as contemplated by Act 62—DESC believes that it would be in the interest of administrative economy if the Commission were to establish a docket specific to each utility to consider these issues. DESC strongly believes that considering information specific to DESC, such as its IRP, existing solar procurement, system operation, and future carbon neutral commitments in a DESC-specific docket will significantly ease the challenges on all parties that would arise from considering such wide-ranging information for each utility in a generic proceeding.

(emphasis in original).

As explained by DESC, Act 62 provides this Commission with discretion and does not mandate the Commission establish a generic docket. DESC also clearly explained this is a complex topic. Further, Ecoplexus, without adopting the specific reasons stated by DESC, indicated it “concurs with, and generally supports, DESC’s request that a separate Docket be established for DESC.”⁴

Not only is this a complex issue, as Duke Energy noted, the testimony deadlines are “quickly approaching.”⁵ Given that the testimony deadlines are rapidly approaching, Duke explained “it would be helpful to receive guidance from the Commission on the topics raised in this letter in the near future.”⁶

Finally, DESC and the SCSBA have addressed the topic of competitive procurement in Docket No. 2019-226-E (“IRP Docket”). The SCSBA submitted competitive procurement proposal as late Filed Hearing Exhibit 13. The SCSBA’s Competitive Procurement Action Plan called for the enforced and accelerated procurement of 400 MW of solar capacity by DESC outside of the IRP Docket. DESC responded and explained, in part, in its late Filed Hearing Exhibit 14 that:

- I. There is presently no need on DESC’s system for additional generation capacity, renewable or otherwise. That fact has been conclusively demonstrated in the load and resource data provided in the 2020 IRP.

¹ S.C. Code Ann. § 58-41-20(E)(2).

² *Id.* (emphasis added).

³ Order No. 2019-876, issued in Docket No. 2019-365-E on December 18, 2019.

⁴ See Ecoplexus letter, dated November 10, 2020 filed in the above-referenced docket.

⁵ See Duke Energy Carolinas, LLC’s and Duke Energy Progress, LLC’s letter, dated November 10, 2020, filed in the above-referenced docket.

⁶ See *id.*

- II. Over the past five years, the Company has added approximately 973 MW of solar capacity under PURPA and Act No. 236, of which 100 MW is being finalized. Generation resources are subject to the law of diminishing returns. As more and more of any specific type of generation resource is added to the system, its value to the system declines.
- III. Nothing in the planning or evaluation of DESC's current generation resources or customer demands has identified the need to acquire 400 MW of solar or solar plus storage generation (collectively "solar resources") or any other quantity of such generation in 2021. The fact that under certain planning scenarios, 400 MW of solar power might be envisioned in 2026 does not justify procuring 400 MW of solar now.
- IV. The proposed 2021 procurement appears to have been arrived at based on considerations that have nothing to do with the actual needs of DESC's system or customers, and without consideration of anticipated or cost technological advances in renewable generation or other emerging technologies.

As stated above, DESC has added approximately 973 MW of solar capacity under PURPA and Act No. 236. However, the SCSBA is simply attempting to obtain increased benefits for its members—even if it means attempting to unnecessarily rush the Commission's consideration of this important, complex topics—and will explore every docket, every angle, and attempt to create a false sense of urgency at a time when the Commission's schedule is full with Act 62-related items. Such an approach would come at the expense of a thoughtful process that adheres to administrative notice and the opportunity for a full and complete record and, in short, is simply unnecessary.⁷ Therefore, ignoring the complexity of this issue and the "quickly approaching" hearing deadline," the SCSBA seeks to utilize a hearing date that is less than a month away to establish a procedure for conducting competitive procurement in DESC's balancing authority area in a docket that is purely discretionary—at a time when both Duke and DESC have reached out for guidance or further clarification, which has yet to be granted.

Therefore, DESC respectfully requests the Commission establish clear guidance regarding the scope and purpose of the generic docket—along with an opportunity to comment on a revised procedural schedule—and that any utility-specific docket should first examine whether a need for competitive procurement can even be established. Particularly, an immediate need that would necessarily exclude the contemplation of emerging technologies and other potential customer benefits when considering a procedure for conducting competitive procurement.

Sincerely,



J. Ashley Cooper

JAC:hmp

cc: (Via Electronic Mail and First Class Mail)
All Parties of Record

⁷ DESC notes that the results of the presidential election further undermines any concern that ITC will expire without being extended.